



Volume XXI

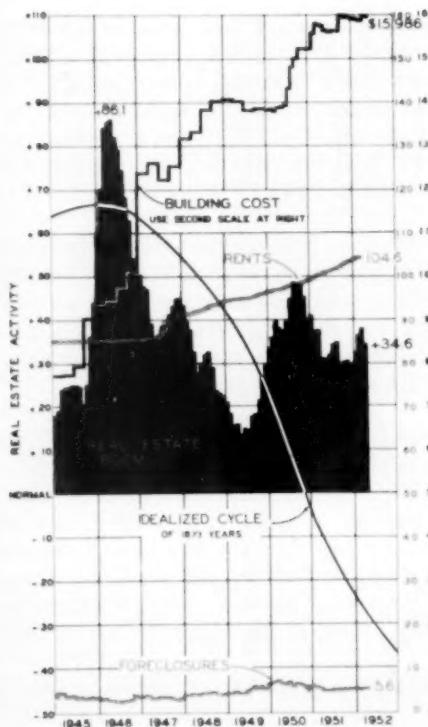
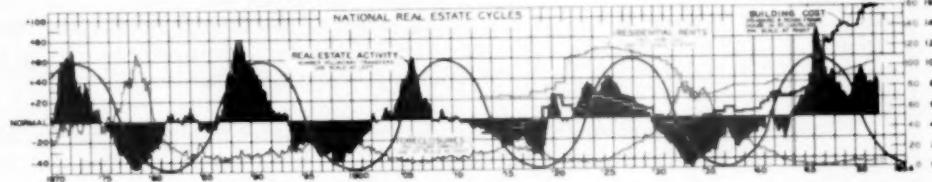
The Real Estate TRENDS

MAY 29
1952

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A concise monthly digest of real estate and construction fundamentals and trends.....A part of the complete service known as the Real Estate Analyst Reports.

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REAL ESTATE ECONOMISTS, APPRAISERS AND COUNSELORS



REAL ESTATE ACTIVITY Following a 3 months' rise of almost 8 points, real estate activity dropped 3.5 points in April.

REAL ESTATE MORTGAGE ACTIVITY Virtually unchanged during month of April. Mortgage money becoming more available.

RESIDENTIAL CONSTRUCTION Down but running toward another banner year. Imminent removal or weakening of Regulation X will provide some stimulus for several months.

RESIDENTIAL CONSTRUCTION COSTS Very little change since October 1951. Not much change anticipated during remainder of 1952.

WHOLESALE AND RETAIL PRICES Wholesale prices have moved down slowly for the past 13 months. Retail prices spotty but recent trend is down.

REAL ESTATE ACTIVITY

During the remainder of 1952 real estate activity is going to be good. It may rise or fall a small amount, but throughout most of this year it will stay close to its present level. Naturally, it will do better in some sections of the country than in others. Defense areas and the few remaining areas where a housing scarcity still exists will enjoy the highest activity. In contrast, those areas where housing supply is in balance or in abundance will probably see a decline in real estate activity.

For the sake of the real estate and residential construction markets, Regulation X should be repealed or altered immediately, or some official statement should be released freezing it in its present status. All of the talk about relaxation of Regulation X is bound to have a dampening effect on the sale of residences, particularly those in the middle and higher price brackets. The tendency will be for buyers to hang back, awaiting the legalizing of more favorable terms.

Brokers should not expect a great deal of protracted help from the changes in Regulation X. There are some families on the fringe of the market that will be brought in, but we believe that this number is relatively small. We expect the rejuvenating effects of these changes to last from three to nine months, depending on how drastic the changes are.

REAL ESTATE MORTGAGE ACTIVITY

Since reaching a recent low point in November 1951, mortgage activity has improved steadily. The present (April) reading of the mortgage activity index stands at 186.1 compared with 170.0

in November 1951. We believe that mortgage activity will continue at about this level for the remainder of the year, and its local rise and fall will roughly correspond to the local rise and fall of real estate activity.

If the new Senate Housing Bill (S. 3066) does not provide sufficient help to keep mortgage activity moving at near its present pace, some additional help can be expected when Congress reconvenes later on this summer. As all of us know, the party in power always likes to campaign during good times and will go to great lengths to do so. Moreover, the Republicans are not apt to win disfavor by opposing "good times" legislation during an election year.

RESIDENTIAL CONSTRUCTION

After a comparatively slow start in the first quarter of 1952 (almost 8% below the first quarter of 1951), residential construction starts picked up briskly in April. The total of 108,000 nonfarm starts is the highest April figure for any recent year except record-breaking 1950. A breakdown of the starts between public and private housing, however, is not so reassuring. For the first four months, private starts are off 6%, while public housing starts are 85% ahead of the same period in 1951.

Residential builders will have little to complain about during the remainder of

the year. Material restrictions are to be drastically reduced and their bitter fight against Regulation X will soon be largely won. They can, perhaps, expect further assistance during the late summer and early fall. As a result of the high volume already under construction and the virtual elimination of all restrictions, another year of 1,000,000 starts would not be a surprise, although it is a trifle early to count on it as a sure thing.

RESIDENTIAL CONSTRUCTION COSTS

There will probably be very little change in residential costs during the remainder of 1952. If there is any change at all, our guess is that it will be down, but only slightly.

GENERAL PRICE LEVEL

little change in the general price level for the next several months.

During 1952 we believe that the inflationary and deflationary factors will just about balance each other out. Consequently, we expect relatively

LONG-RANGE DEVELOPMENT IN FARM LAND VALUES

Everyone knows that farm lands have enjoyed a large increase in value from their prewar levels. Certain sections of the country, however, have shown much greater improvement than have others. In order to get the long-range

picture we have compared the increase in farm land values by States with the increase in the national average from 1910 through 1951.

The results (published in detail in our May Agricultural Bulletin) are, in some instances, surprising. The big farm States of Illinois, Missouri, Nebraska, North Dakota and South Dakota have not done so well as the national average. On the other hand, several southern States, benefiting from diversified farming and expanding markets, have shown remarkable rises over 1910 values. Foremost among these States are Alabama, Arkansas, Louisiana, Kentucky, Mississippi, North Carolina, South Carolina, Virginia, Tennessee and Texas.

MARKET VALUES

Contained on the back page is a sneak preview of the results of our annual nationwide market value survey. Real estate men and mortgage

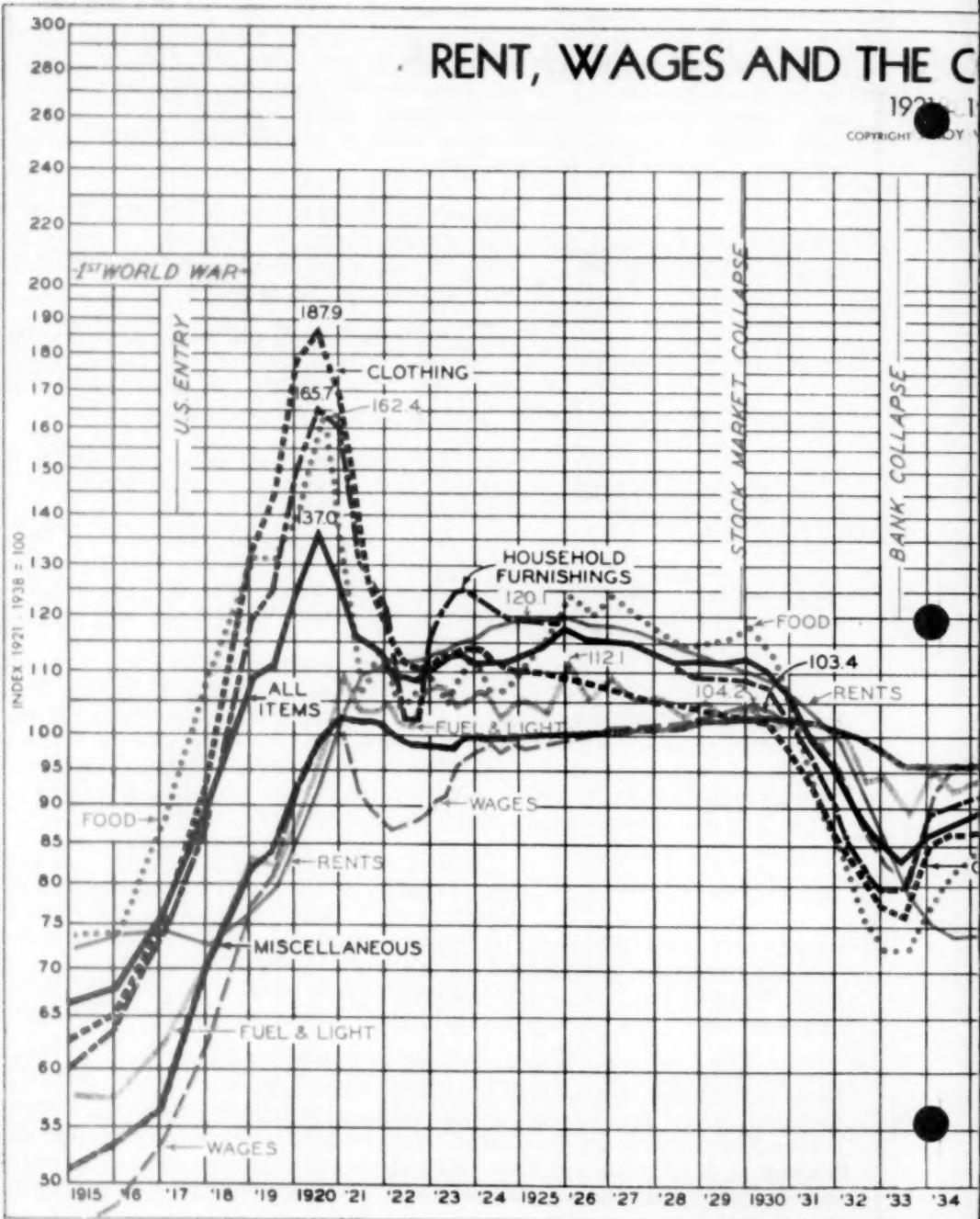
lenders were asked for their opinion as to the approximate sales value of our standard six-room frame house on a suitable lot within the confines of their city, and also in the suburban areas. Other pertinent data, such as rental value and taxes, were also collected. The complete survey will appear in the June "As I See It" Bulletin.

Needless to say, there are several limitations on a study of this type. This house would prove quite a rarity in many sections of the country. Also, in the southern regions and, to some extent, in the Southwest and West, few houses are constructed with full basements. We have held to the standard design for the sake of comparison, and those supplying the information in these areas were requested to estimate as best they could what this house would bring as specified.

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1921-1938

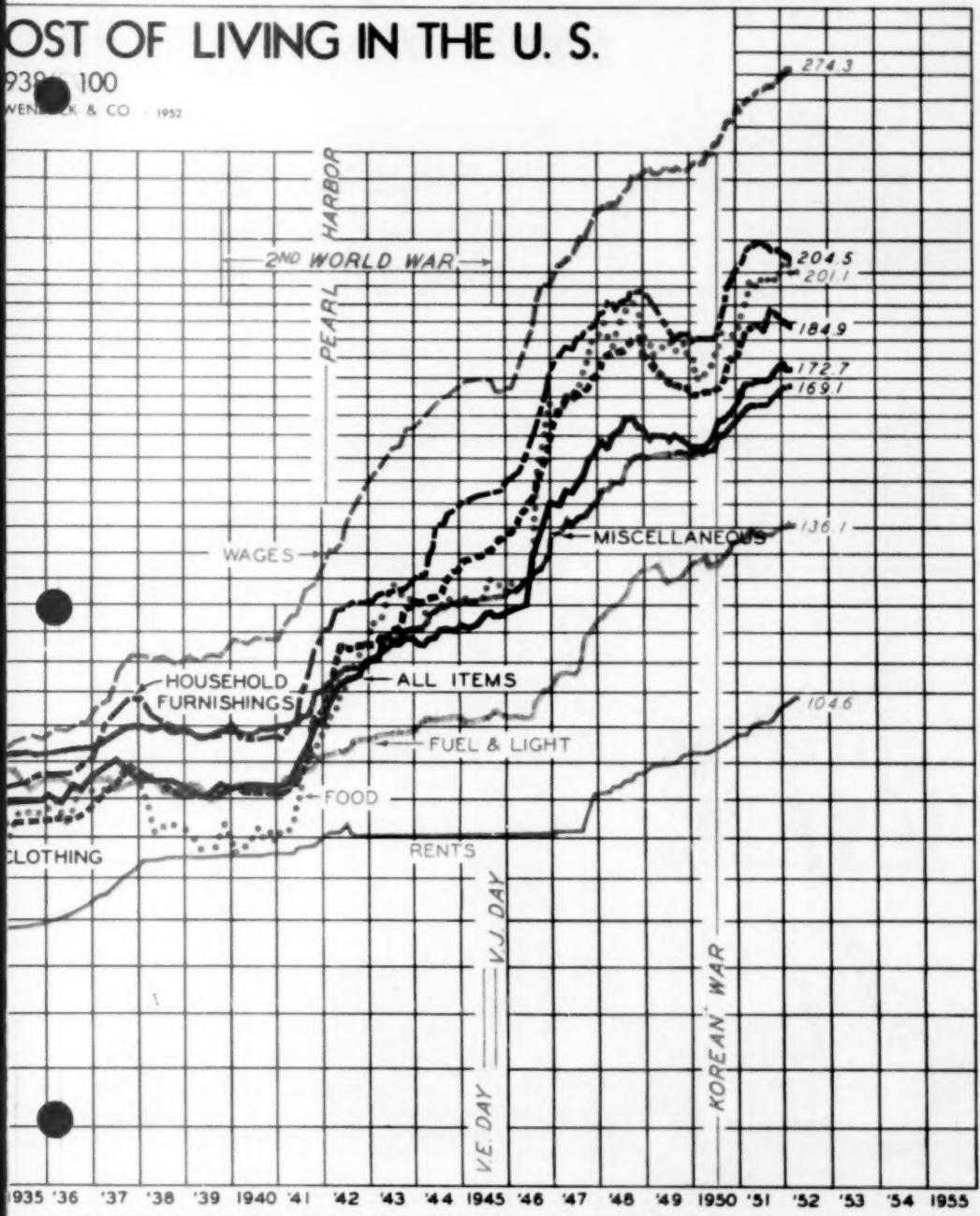
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COST OF LIVING IN THE U. S.

938 = 100

WENDELL & CO. - 1952



INCREASES IN BUILDING COSTS SINCE 1939

ST. LOUIS
(May 1952)



SIX-ROOM BRICK HOUSE
(FRAME INTERIOR)*
Content: 23,100 cubic feet
1,520 square feet
Cost 1939: \$ 6,400
(27.7¢ per cubic foot; \$ 4.21 per square foot)
Cost today: \$16,897
(73.1¢ per cubic foot; \$11.12 per square foot)
INCREASE OVER 1939 = 164%



FIVE-ROOM BRICK VENEER HOUSE*
Content: 24,910 cubic feet
1,165 square feet
Cost 1939: \$ 5,440
(21.8¢ per cubic foot; \$ 4.67 per square foot)
Cost today: \$14,512
(58.3¢ per cubic foot; \$12.46 per square foot)
INCREASE OVER 1939 = 166.8%



SIX-ROOM FRAME HOUSE*
Content: 24,288 cubic feet
1,650 square feet
Cost 1939: \$ 5,671
(23.4¢ per cubic foot; \$3.44 per square foot)
Cost today: \$15,986
(65.8¢ per cubic foot; \$9.69 per square foot)
INCREASE OVER 1939 = 181.9%



6-ROOM CALIFORNIA BUNGALOW - NO BASEMENT
Content: 12,119 cubic feet
992 square feet
Cost 1939: \$3,117
(25.6¢ per cubic foot; \$3.14 per square foot)
Cost today: \$8,519
(70.3¢ per cubic foot; \$8.59 per square foot)
INCREASE OVER 1939 = 173.3%

*Costs include full basement.

INCREASES IN BUILDING COSTS SINCE 1939

ST. LOUIS
(May 1952)



COMMERCIAL BUILDING - NO BASEMENT

Content: 115,850 cubic feet
8,075 square feet
Cost today: \$50,977
(44.0¢ per cubic foot; \$6.31 per square foot)



18-FAMILY BRICK APARTMENT (FRAME INTERIOR)*

Content: 168,385 cubic feet
13,260 square feet
Cost 1939: \$60,300
(35.8¢ per cubic foot; \$ 4.55 per sq. ft.)
Cost today: \$159,778
(94.9¢ per cubic foot; \$12.05 per sq. ft.)
INCREASE OVER 1939 = 165.0%



30-UNIT REINFORCED CONCRETE APARTMENT*

Content: 305,534 cubic feet
21,372 square feet
Cost 1939: \$135,000
(44.5¢ per cubic foot; \$ 6.33 per sq. ft.)
Cost today: \$340,552
(81.12 per cubic foot; \$15.93 per sq. ft.)
INCREASE OVER 1939 = 152.3%

**CURRENT MARKET PRICE FOR OUR STANDARD SIX-ROOM FRAME HOUSE
INCLUDING LOT IN 146 CITIES**

City	Suburbs	City	Suburbs	City	Suburbs
Akron, Ohio	\$21,000	Greensboro, N. C.	\$20,000	\$18,000	\$18,000
Albany, N. Y.	20,000	Hamilton, Ohio	22,300	17,500	17,750
Allentown, Pa.	21,000	Harrisburg, Pa.	17,500	16,500	17,000
Altoona, Pa.	16,500	Hartford, Conn.	18,500	17,500	18,500
Ann Arbor, Mich.	23,000	Houston, Texas	17,000	16,000	17,500
Atlanta, Ga.	15,500	Huntington, W. Va.	17,500	16,000	13,000
Atlantic City, N. J.	17,000	Indianapolis, Ind.	21,000	19,500	17,000
Augusta, Ga.	21,125	Jackson, Miss.	15,000	12,000	15,000
Austin, Texas	18,250	Jacksonville, Fla.	18,500	17,500	16,000
Baltimore, Md.	20,000	Johnstown, Pa.	16,500	17,000	-
Beaumont, Texas	21,250	Kalamazoo, Mich.	21,500	20,000	20,000
Bethlehem, Pa.	18,500	Kansas City, Mo.	19,250	18,750	19,000
Birmingham, Ala.	17,500	Lansing, Mich.	20,000	18,250	20,000
Boston, Mass.	16,000	Lima, Ohio	20,000	20,000	19,000
Bridgeport, Conn.	19,000	Lincoln, Neb.	19,000	18,000	20,500
Buffalo, N. Y.	21,500	Montgomery, Ala.	14,500	14,000	17,500
Cambridge, Mass.	19,000	Little Rock, Ark.	18,000	16,000	18,000
Canton, Ohio	15,500	Long Beach, Calif.	-	-	19,000
Cedar Rapids, Iowa	18,750	Los Angeles, Calif.	-	-	18,500
Charleston, W. Va.	22,500	Louisville, Ky.	19,500	18,500	19,500
Chattanooga, Tenn.	19,500	Lowell - Lawrence - Haverhill, Mass.	17,375	17,875	19,500
Chicago, Ill.	20,000	Lowell	14,000	13,000	18,000
Cincinnati, Ohio	26,500	Lynn, Mass.	18,500	-	17,500
Cleveland, Ohio	20,000	Macon, Ga.	18,000	18,000	23,000
Columbia, S. C.	25,250	Madison, Wis.	20,750	19,500	20,000
Colombus, Ga.	18,000	Manchester, N. H.	17,500	16,500	18,000
Colombus, Ohio	19,500	Memphis, Tenn.	17,500	16,500	18,000
Davenport, Iowa	22,750	Miami, Fla.	18,000	17,500	20,000
Dayton, Texas	18,000	Middleton, Ohio	16,000	15,000	18,000
Durham, N. C.	17,500	Milwaukee, Wis.	22,750	20,500	21,000
Easton, Pa.	22,500	Minneapolis, Minn.	21,000	20,000	19,500
Dayton, Ohio	19,500	Mobile, Ala.	21,000	19,500	18,500
Denver, Colo.	24,500	Moines, Ill.	17,250	15,500	22,750
Des Moines, Iowa	20,000	Muncie, Ind.	18,000	17,000	18,000
Detroit, Mich.	18,400	Nashville, Tenn.	20,000	18,000	19,500
Duluth, Minn.	17,600	Newark, N. J.	19,100	20,500	19,750
Durham, N. C.	18,500	New Haven, Conn.	-	-	17,500
Elizabethtown, Ky.	17,750	New Orleans, La.	18,500	18,250	22,500
El Paso, Texas	19,000	Newport News, Va.	24,000	20,000	18,750
Erie, Pa.	20,000	Oakland, Calif.	17,500	16,500	20,000
Evanston, Ind.	18,000	Palm River, Mass.	-	-	18,000
Fairfield, Conn.	17,500	Phoenix, Ariz.	-	-	17,250
Fargo, N. D.	16,000	Pittsburgh, Pa.	26,500	24,500	26,750
Fayette, Ind.	18,000	Portland, Ore.	18,000	17,250	23,000
Grand Rapids, Mich.	19,500	Portland, Ore.	18,000	16,000	19,500

NOTE: Dates indicate information received to date.